

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 1 SEPTEMBER 2006**

I. CEFMS:

A. We have identified another labor and payroll issue associated with the conversion to Oracle 10g. The CEFMS screen, which was designed for restoring archived labor records to the current year database, no longer works for FY99 and FY00. We must now restore the archived labor data for FY99 and FY00 to the current year database. We continue to seek a solution for this problem and we will continue to monitor all labor and payroll processes for additional problems.

B. Per new HQUSACE F&A policy, we are developing and testing a process to allow an effective labor rate to be applied to overtime worked hours. The scheduled release for this change is 01 October 2006.

C. We modified the Joint Review Process (JRP) Chief Financial Officer Certification screen in CEFMS to allow manual input and automatic transmission to the Corps of Engineers Enterprise Management Information System (CEEMIS). From this point on, users will not be required to log into CEEMIS to submit the JRP certification. The certification process in CEFMS requires the role of ULO_CHIEF_FINANCIAL_OFFICER and electronic signature. Users may verify the status of the review or manually insert a record if they are not using the automated JRP process.

D. We researched an electronic signature problem when a user was generating an EFT file that contained deposit fund payments. In the last several weeks, all of these types of payments were failing with an esig error 225. That indicated that the user's card was not active on the KTC. After obtaining the log files from the user's PC, we determined that an electronic signature was not being made for these types of payments at the point of disbursing the voucher. We made a correction to the Miscellaneous Disbursement Program to add the electronic signature for deposit fund payments.

E. We attended a meeting at the UFC in Millington with Treasury's Financial Management Service (FMS) Personnel. There was a general discussion on implementing the Treasury Offset Program (TOP) at the UFC. We agreed to an initial testing in the Apr 07 timeframe. We will need to have additional discussions with Treasury's Intra-governmental Payment and Collection (IPAC) system personnel prior to testing with them.

F. We are working on changes in the CEFMS Travel Module that will create a more user friendly and updated appearance. We have combined the four basic travel forms into a tab style form. Unnecessary items have been removed from the screens, and required items have been repositioned to represent a more logical flow of information. We have added a dropdown list and check boxes in lieu of the F4 pick lists where possible.

G. We are testing CEFMS programs for fiscal year-end closing. We have successfully completed tests for twenty USACE activities. We continue to make changes and monitor database conditions in preparation for year-end.

H. We have been working closely with the DFAS Integrated Automated Travel System (IATS) Office in Indianapolis regarding the upcoming IATS 6.0.7 release. We continue to have problems with authorized returns on partial vouchers. We have identified problems with vouchers, and supplied DFAS with test data. DFAS has processed the data on their test code, sending us the resulting settlement information for review. Several corrections have been made. We will continue to work with DFAS and expect the new IATS release will correct our problems. The SAT is scheduled to take place at UFC in Millington on 30 Oct thru 10 Nov 06.

I. We updated rates for travel destinations and privately owned conveyances per the GSA publication we receive each month.

J. We revised the logic used to mark funding accounts as financially complete in the funding account completion program, and also to remove the financially complete indicator if the complete status changes. The initial execution of the revised logic caused 1548 funding accounts to be marked financially complete. Additionally, we revised the programming and reduced the execution time of the program from 60 to 13 minutes. This program is executed daily on each CEFMS database.

K. We provided a briefing to the PricewaterhouseCoopers (PwC) and DoDIG auditors on the controls built into CEFMS for purchase requests and provided demonstrations of the Construction-in-Progress (CIP) and asset module.

L. We corrected the Construction In Progress (CIP) Status Report (cipstatr) to record additions and betterments correctly and to report the correct cumulative non-CIP amount when the report is requested to reflect by account period.

M. The Revolving Fund Open Salvage Program that runs in the year-end closeout process was updating with incorrect general ledger correlations. We corrected the correlations for this process and the transfer to salvage process, and we ran programs to correct the inventory records on all affected databases.

N. For FY05, the Federal Real Property Council (FRPC) requested more detailed information on Operation and Maintenance costs applicable to each in-service asset reflected on the Consolidated Balance Sheet Property, Plant and Equipment (PP&E) line. We added a query to the year-end closing process to load the costs into a report table for ease of retrieval for the FRPC Federal Real Property Profile Inventory Report.

O. We modified the DISTDIPR batch program to cease charging plant increment to Revolving Fund PRIP assets with book costs of less than \$250K, to comply with new HQUSACE (CERM-F) policy. The system is set to become effective on 1 Oct 06.

P. We provided responses to USACE activities and in response to HQUSACE requests for data and information relating to the CFO audits.

II. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	765	749
Priority #1 Problems	92	91

We received 193 new problem reports and completed 177 problem reports.

B. Database Imbalances on our 62 Production Activities:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	60	62
One	1	0
Two	0	0
Fourteen	1	0

III. ACCOUNTING OPERATIONS:

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

<u>LOCATION</u>	<u>ONBOARD</u>
MILLINGTON:	216
HUNTSVILLE:	24
USACE HQ:	1
TOTAL:	241

B. DISBURSING WORKLOAD DATA

<u>PAYMENT</u>	<u>CURRENT MONTH</u> Aug 01-29	<u>YEAR TO DATE</u> Oct 01-Aug 29
CHECKS:		
CHECKS ISSUED	9,602	110,304
PERCENT OF TOTAL	9%	10%
DOLLAR AMOUNT	\$100,540,610	\$1,337,899,369
EFT:		
TRANSFERS MADE	61,997	602,051
PERCENT OF TOTAL	91%	90%
DOLLAR AMOUNT	\$1,852,336,772	\$23,264,981,838

*percentages adjusted for utility checks which do not have to participate in EFT

IV. OTHER UFC ISSUES:

A. Susan Davis and Ellen Gibson, CFO/Civil Reports Division, attended the Year-End Financial Reporting Conference in Arlington, VA on 23-24 Aug. Other participants were from Office of Under Secretary of Defense Comptroller, DoDIG, the Military Services and DFAS Centers. The topics included the financial statement scorecard, Office of Management and Budget (OMB) Circular A-136 and changes for FY 2006 reporting, the Financial Improvement and Audit Readiness Plan, Treasury Department plan for consistent data, imputed cost for unreimbursed goods or services, and enhancements to the Defense Departmental Reporting System.

B. We reconciled material differences on the Intra-governmental Reporting and Analysis System (IRAS) reports that are produced by Treasury. The reports show reciprocal activity between Federal agencies in such areas as payables and receivables, revenue and expense, and appropriation transfers in or out. As in past quarters, the major difference on our report was for discrepancies in reporting between USACE and Department of Homeland Security (DHS). We reported receivables and revenue for reimbursable work performed for Federal Emergency Management Agency (FEMA), an agency under DHS, in support of the hurricane relief effort. FEMA reported a much smaller reciprocal amount of payables and expense. We continue efforts to work with FEMA in preventing future discrepancies. Personnel turnover at FEMA has been an obstacle in the resolution process.

C. We received a revised Budgetary Cycle memo from PricewaterhouseCoopers (PwC) auditors. We reviewed and provided our comments to PwC.

D. PwC and DoDIG auditors are onsite working on validation of the financial statement compilation process and fund balance with Treasury. We provided documentation to assist them in performing their validation. They are reviewing 2001 through 2006.

E. The week of 21 -25 August, members of multiple UFC divisions met with auditors representing the Special Inspector General for Iraq Reconstruction (SIGIR). The primary focus of the visit was a review of Iraq Relief and Reconstruction Fund (IRRF) Unmatched Disbursements. The overall objective was to determine the amount of IRRF unmatched disbursements and whether adequate management controls have been established. The auditors stated in an exit interview on 25 August that they were impressed with the established processes at the UFC for monitoring the IRRF unmatched disbursements.

F. On 22 Aug 06, personnel from the Department of Treasury Debt Management Services and the Birmingham Regional Finance Center visited the UFC to discuss the USACE proposal to implement the Treasury Offset Program (TOPs). The proposal was accepted with a tentative date for testing of April 07, with implementation in Jun 07. The implementation of TOPs will result in minimal changes at USACE Activities but will require programming changes to CEFMS at the T0 disbursing level.

G. The Finance Center participated a conference call on 29 Aug 06, with personnel from the Federal Emergency Management Agency (FEMA) Disaster Finance Center to discuss the proposed "restricted" disaster Interagency Payment and Collection (IPAC) Trading Partnership Agreement (TPA). FEMA agreed to sign a TPA with USACE only if we agreed not to collect funds from them via IPAC until they receive our billings and supporting documentation and they approve the payment. After reviewing the TPA, FEMA agreed that they would sign the agreement and forward to the Finance Center for USACE to sign. We anticipate a signed agreement within the next week. Due to the FEMA "restrictions," implementation of the IPAC agreement will save approximately 2 to 3 weeks in the receivable collections process. Since FEMA still requires all of the supporting documentation for each disaster bill and they must review and grant approval before USACE can pull their funds, this agreement will not significantly reduce FEMA disaster receivables.

H. The Finance Center Travel Division is currently processing PCS vouchers received on 17 Aug 06.

I. Two representatives from the Logistics Activity Center (LAC) visited the Finance Center 21-23 August. They performed a structure analysis of our building and met with Naval Support Activity Mid-South personnel in continuing the planning efforts for standing up the LAC in September. The Information Management office has been preparing for the arrival of the LAC. We have purchased computers, telephones, printers, etc. for the initial outfitting of the organization. The first phones lines have also been installed in the LAC work area. We continue to have conversations/meetings with Logistics to further define their IT requirements.

J. The Resource Management Division recently completed an audit of commercial payments for the fourth quarter of FY05 (July through September 2005). This audit identified three problem areas that merit mention. These areas of concern have also been noted in previous audits. One common error noted was the frequent misuse of the Prompt Payment Act (PPA) indicator. Obligations were often coded PPA exempt when they should not have been; and conversely, obligations that should have been coded PPA exempt were not. In addition, lease payments were often being paid too early. This was especially prevalent for lease agreements which specified that payments be made in arrears. Also, we noted in several instances that lease agreements did not include appropriation/accounting citation data.

K. Fourteen Finance Center employees participated in a VTC for Fiscal Law Refresher training 22 August. Management Concepts presented the four hour training session which was especially beneficial since it was tailored to the Corps of Engineers and situations frequently encountered at USACE activities.